

INAUGURAL ISSUE
Q1-Q3 2008

EQ

LOUISIANA ECONOMIC QUARTERLY



Changing PERCEPTIONS and **BUCKING** National Trends

EA SPORTS:
IT'S IN LOUISIANA

FORTUNE 1000 HQ
RELOCATION

LOUISIANA'S
NUCLEAR RENAISSANCE

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I am thrilled to share with you the inaugural issue of *Louisiana Economic Quarterly* – a new publication designed to provide insights about Louisiana's economy, as well as economic development efforts being undertaken to enhance it.

In this and subsequent issues, we will detail major economic developments in Louisiana, including economic trends, major business investments, small business success stories, the evolution of traditional and emerging industry sectors, and state and local economic development initiatives. We also will highlight economic development champions in our state who work hard every day to create a brighter economic future for their communities.

In this issue, our cover story outlines an economic renaissance that is beginning in Louisiana. Not only is Louisiana's economy outperforming that of the nation, but also the state is taking deliberate steps to reposition itself as the next great American state for business investment and economic opportunity.

This issue also includes a variety of stories describing some of the most consequential economic developments in Louisiana today, including the Haynesville Shale in North Louisiana, the Federal City project in New Orleans, an exciting small business success story in Alexandria, and the emerging digital media industry that is starting to form in Baton Rouge, Lafayette, New Orleans and Shreveport/Bossier. We also include a thought-provoking interview with Jim Clinton, a national economic development leader who just came back to Alexandria to make a difference.

Please send us your thoughts and feedback at LouisianaEQ@la.gov. In the meantime, thank you for your interest in the great state of Louisiana.

Best regards,

Stephen Moret, Secretary
Louisiana Department of Economic Development

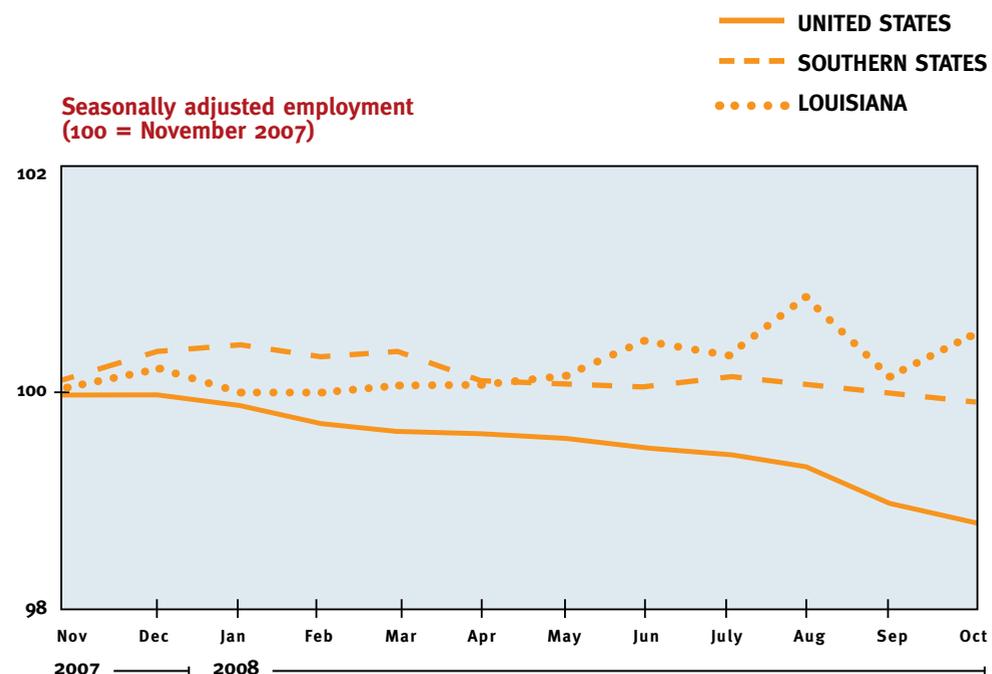
economic

UPDATE

Louisiana has outperformed expectations despite the national economic downturn, turbulent financial markets and the impact of two significant hurricanes.

The state's economy was buttressed by high oil and gas prices, expansions in its energy and chemical sectors, continued hurricane recovery spending from the 2005 storms, and a housing market that has so far defied the general malaise experienced in many regions across the nation. Moreover, Louisiana claimed a number of significant corporate announcements that committed billions of dollars of investment and helped set the stage for future growth. However, the third quarter figures potentially signal that the state's economic growth may slow or decline over the next several months, especially in light of deteriorating national economic conditions.

OVER THE LAST 12 MONTHS, LOUISIANA'S EMPLOYMENT LEVELS HAVE HELD UP BETTER THAN THE REST OF THE U.S.



Source: United States Bureau of Labor Statistics; LED analysis

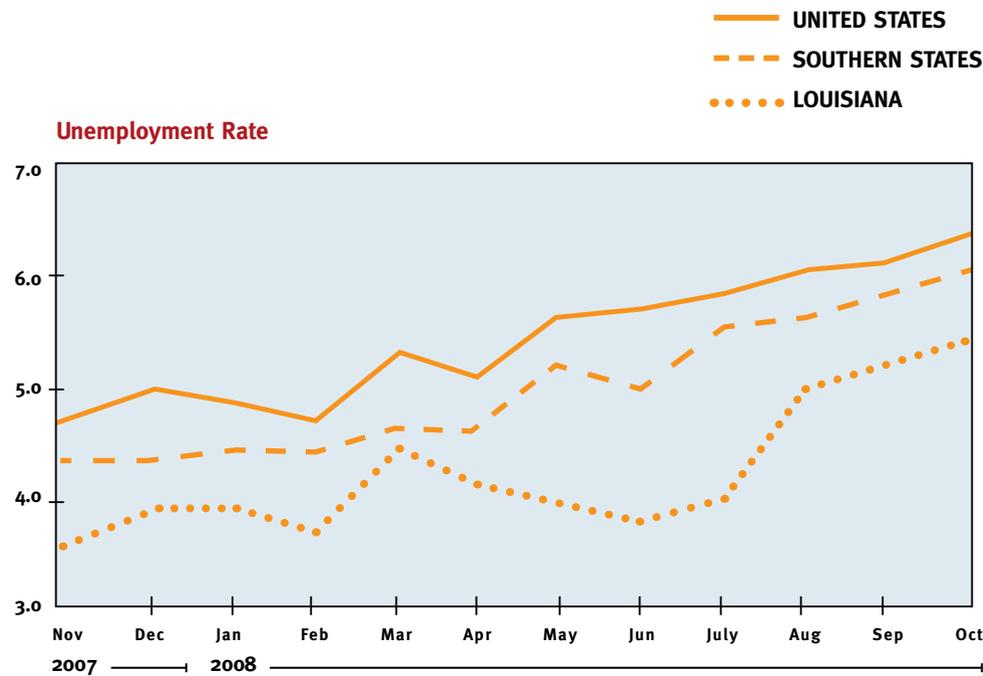
Statewide employment up versus prior year

Louisiana's nonfarm employment stood at about 1,939,000 at the end of the third quarter, representing a decrease of about 11,700 jobs over the quarter but a net gain of about 5,700 jobs (0.3 percent) since the third quarter of 2007, with most industry sectors recording job gains over the year. Compared to the same quarter a year ago, the largest absolute gains in private-sector jobs were in education & health services, which added about 3,300 jobs (1.3 percent), followed by increases of about 2,300 jobs (1.7 percent) in construction, 1,800 jobs (0.9 percent) in leisure & hospitality, and 800 jobs (0.2 percent) in trade, transportation & utilities. The biggest over-the-year loss occurred in manufacturing, with a 2,900-job decline (-1.8 percent). This was followed by declines in government, which fell by about 400 jobs (-0.1 percent), and relatively minor job losses in other services.

Over the recently ended quarter, most major industry sectors lost employment. The largest over-the-quarter losses occurred in leisure & hospitality (-6,100 jobs), professional & business services (-1,900 jobs) and manufacturing (-1,400 jobs). The education & health services and natural resources and mining sectors experienced the largest gains, albeit somewhat modest ones (900 and 600 jobs, respectively).

Louisiana's economy continues to grow ... despite the softening national economy.

LOUISIANA'S UNEMPLOYMENT RATE HAS REMAINED STEADILY BELOW THE NATIONAL AND SOUTHERN TRENDS OVER THE PAST YEAR



Source: United States Bureau of Labor Statistics; LED analysis

Retail trade and the education and health services sectors experienced strong gains in the Northwest.

Total employment in the Northwest Region (Shreveport-Bossier City MSA) ended the third quarter at 182,300, representing an over-the-quarter loss of 800 jobs (-0.4 percent) but a gain of about 1,900 jobs (1.1 percent) over the past year. Retail trade, education & health services and government experienced strong gains over the past year with 900 jobs each (4.2 percent, 3.5 percent and 2.5 percent respectively). The region's construction sector gained 500 jobs (5.6 percent) since the third quarter a year ago. Job losses were concentrated in leisure & hospitality, which lost 700 jobs (-3.1 percent), and manufacturing, which lost 600 jobs (-4.3 percent).

The Acadiana Region (Lafayette MSA) ended the quarter with a total employment count of about 151,900, representing a gain of about 1,700 jobs (1.1 percent) over the year but a loss of 500 jobs (-0.3 percent) over the quarter. The largest absolute gains over the year were in natural resources & mining, which grew by 700 jobs (4.3 percent) primarily due to a strong oil & gas market, and education & health services, which grew by 600 jobs (2.9 percent). The region's net job losses over the year were concentrated in the government sector, which lost 600 jobs (-3.4 percent).

Employment for the Southwest Region (Lake Charles MSA) totaled about 92,400 jobs at the end of the third quarter. The region had a net employment loss of only about 100 jobs (-0.1 percent) over the year, with a net loss of 1,100 jobs (-1.2 percent) over the past quarter. Employment losses occurred in manufacturing (-6.5 percent) and professional & business services (-1.3 percent). Over the year, the region's largest employment increases were concentrated in trade, transportation & utilities, which grew by 1,100 jobs (6.2 percent), with more modest gains in other sectors such as construction and government.

Total employment in the Central Region (Alexandria MSA) ended the latest quarter at about 65,000, with a net loss of 600 jobs (-0.9 percent) over the year and a loss of 100 jobs (-0.2 percent) over the quarter. The region experienced an annual net gain of 100 jobs (1.0 percent) across the goods-producing sectors (e.g., manufacturing, construction) but suffered modest losses in services employment, including 200 jobs (-1.7 percent) in trade, transportation & utilities.

Employment levels in the Bayou Region (Houma-Thibodaux MSA) stood at approximately 94,800 at the end of the quarter, representing a loss of 1,100 jobs (-1.1 percent) over the year and 2,700 jobs (-2.8 percent) over the quarter. Driven in large part by the impact of hurricanes

Regional employment trends continued

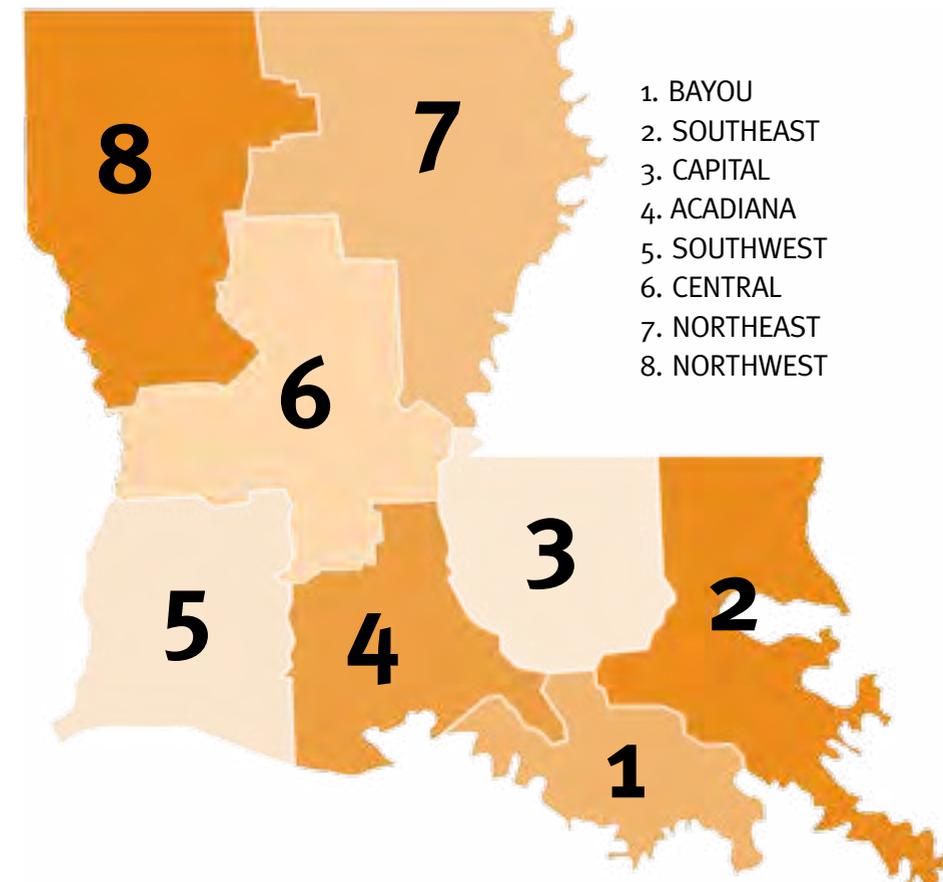
Looking at growth over the year through the third quarter, only three of Louisiana's eight regions – Southeast, Northwest and Acadiana – experienced employment gains. Of the areas showing a decline in employment over the year, the Bayou and Northeast regions experienced the greatest absolute losses (about 1,100 jobs each), with the Central, Capital and Southwest regions ending the third quarter with job counts down slightly from a year ago.

Employment in the Southeast Region (based on data for the

New Orleans MSA) ended the quarter at about 525,900, losing approximately 3,200 jobs (-0.6 percent) over the quarter but gaining about 8,400 jobs (1.6 percent) above the third quarter of 2007. Over the past year, leisure & hospitality, construction, and education & health services experienced particularly strong gains of about 3,400 jobs (5.1 percent), 1,700 jobs (5.2 percent) and 1,500 jobs (2.3 percent) respectively. Most other industries experienced steady growth, with the exception of relatively modest declines in the financial activities and government sectors.

The Capital Region (Baton Rouge MSA) lost about 200 jobs (-0.1 percent) over the third quarter to finish at about 373,400 and was down by about 300 jobs (-0.1 percent) over the year. The largest absolute gains over the year were recorded in education & health services and trade, transportation & utilities (700 jobs each) and construction (400 jobs), while regional job losses were concentrated in professional & business services (-1,400 jobs) and government (-900 jobs).

Acadiana, Northwest and Southeast regions experienced employment gains.



Louisiana's unemployment rate is still relatively healthy compared to the national rate of over 6.0 percent.

Gustav and Ike in the region, annual losses were spread across the goods & services sectors, including 300 jobs (-4.4 percent) in natural resources & mining and another 300 jobs (-2.8 percent) in retail trade. Government gained 600 jobs (4.4 percent). Trade, transportation & utilities and construction experienced somewhat more modest gains of 300 jobs (1.2 percent) and 100 jobs (1.8 percent) respectively.

The Northeast Region (Monroe MSA) finished the third quarter with approximately 78,700 jobs. The region had a net employment loss of about 1,100 jobs (-1.4 percent) over the year, with a net loss of 100 jobs (-0.1 percent) over the past quarter. Over the year, government lost 600 jobs (-4.1 percent). Leisure & hospitality and manufacturing lost 200 jobs each (-2.8 percent and -2.4 percent, respectively). Professional services and trade, transportation & utilities each gained 100 jobs (1.4 percent and 0.7 percent respectively).

With annual employment gains moderated by job losses in the third quarter, the state's unemployment rate increased from 3.9 percent to 5.2 percent over the year to September 2008. Despite the significant increase, Louisiana's unemployment rate is still relatively healthy compared to the national rate, which increased from 4.5 percent to 6.0 percent over the past year. Most of the unemployment increase in Louisiana has occurred over the past few months, as the state's unemployment rate still hovered below 4.0 percent as recently as May 2008.

Year-to-year increases in the unemployment rates within Louisiana's eight economic regions generally aligned with the state's overall average increase of 1.3 percentage points. The exceptions are the Bayou Region, where unemployment rose by 3.1 percentage points (largely due to the recent hurricanes), and Central and Southwest Louisiana, which experienced a more modest 0.6 point increase over the year to September 2008.

Recent trends in unemployment insurance claims suggest that unemployment rates in Louisiana may continue to rise. During the third quarter, initial unemployment insurance claims totaled 154,198 statewide, up nearly 117,000 (315 percent) from the previous quarter and about 102,000 (196 percent) over the same quarter a year earlier.

Initial claims per 1,000 members of the civilian workforce rose significantly during the past quarter in each of the state's eight regional labor markets, especially in areas most affected by Hurricane Gustav and, to a lesser degree, Hurricane Ike. Notably, these claims do not include disaster unemployment insurance.

Louisiana's housing market appears relatively healthy considering the significant price declines and foreclosures experienced in many regions across the nation. A study by PMI Mortgage Insurance Company suggests all of Louisiana's regions should experience a minimal, or less than 1 percent, chance of seeing home price declines over the next 24 months.

With only one in every 2,896 Louisiana households receiving a foreclosure filing, the state's foreclosure rate ranked 42nd among the 50 states. "Louisiana foreclosures are down both in August and from this time last year," said James J. Saccacio, chief executive officer of RealtyTrac. "Statistics show that the state's unemployment rate is [significantly below] the national average. This is undoubtedly contributing to the overall decrease."

However, as a bellwether of future home construction, residential building permits across the state for single-family housing slowed considerably compared to the third quarter of 2007, dropping about 39 percent (from 4,100 to about 2,500) in line with the rest of the nation. Permitting for multi-family residences such as apartments and condos fell by about 16 percent over the past year in Louisiana, compared to a decline of roughly 20 percent across the nation. Many state real estate experts believe Louisiana's housing markets are returning to more normal growth patterns following a post-Katrina growth spurt.

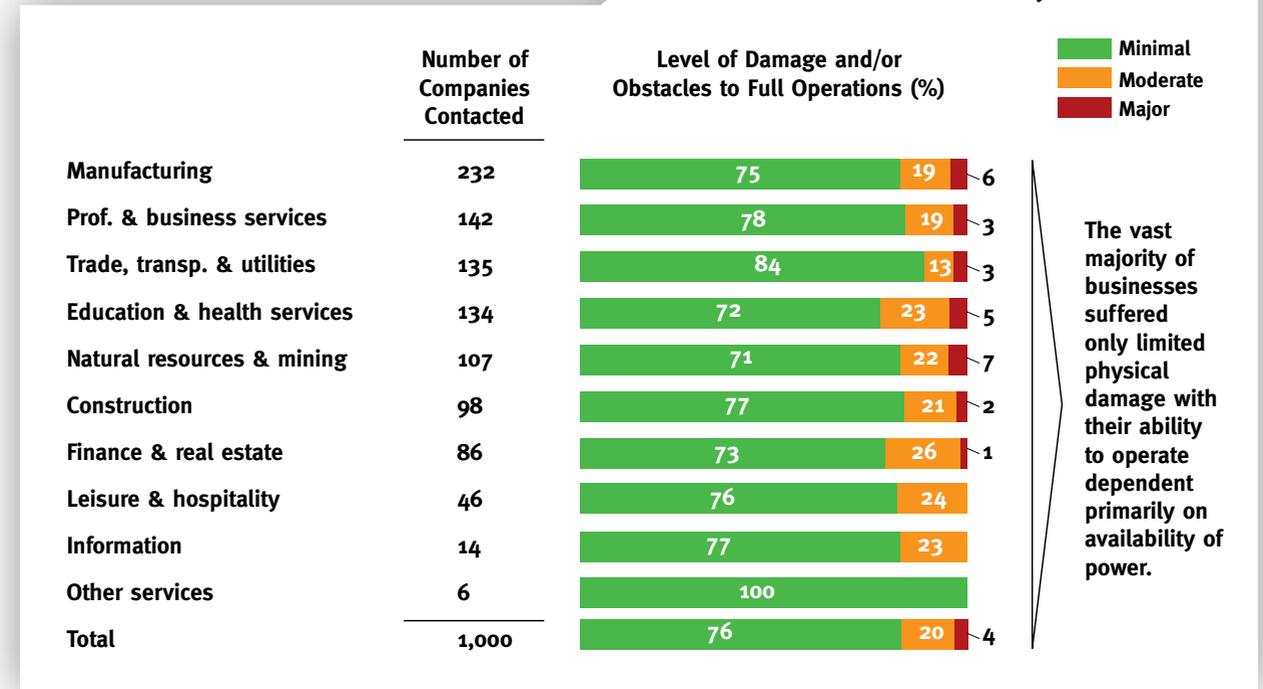
Despite uncertain conditions in the national economy,

Louisiana continued to attract significant business investment in the third quarter. A number of major corporations have either committed to or indicated a strong leaning toward Louisiana as a location for new or expanded operations that collectively represent billions of dollars in potential capital investment in both traditional and emerging industry sectors. In addition to securing capital investment in traditional industrial facilities, Louisiana attracted new white-collar jobs, including the move of Albemarle Corporation's corporate headquarters to Baton Rouge. The state also enjoyed several exciting developments in emerging industries. Louisiana could match or exceed its recent successes in the film industry with a strong position in the digital media sector, particularly with the announcement that Electronic Arts (EA) will create a new global quality assurance center in Baton Rouge. Furthermore, the major recent announcement from Shaw-Westinghouse strengthens the state's position

for the coming global nuclear renaissance, in addition to several other investments in alternative energy.

Hurricanes Gustav and Ike caused significant temporary losses of economic activity (and substantial property damage) across much of the state; however, there will also be a subsequent uptick in economic activity due to recovery-related spending. Although coastal communities devastated by Ike will have acute recovery challenges at the local level, it appears that relatively few economic-driver firms in Louisiana experienced severe physical damage from the storms (see Gustav chart). However, a national recession could reduce growth in some regions, according to a recently released analysis in the Louisiana Economic Outlook. **EQ**

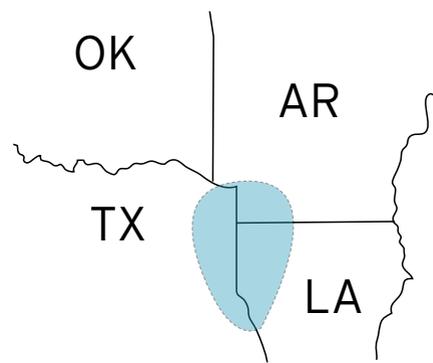
DESPITE GUSTAV'S STATEWIDE IMPACT, FEW ECONOMIC-DRIVER FIRMS SUSTAINED MAJOR DAMAGE



Source: LED Business Assessment-Assistance Survey, 9/1/08-9/10/08



Field of Dreams: Haynesville Shale



Haynesville Shale Drilling Activity

Haynesville Shale is being called the fourth largest natural gas field in the world.

It may be the largest natural gas field in the United States. Only time will tell when it comes to determining the Haynesville Shale's true economic potential.

A geologic formation encompassing up to four million acres across 16 North Louisiana parishes, the Haynesville Shale is being called the fourth largest natural gas field in the world. Conservative estimates suggest the field contains 160 trillion cubic feet of recoverable natural gas – almost seven times the nation's annual consumption. More optimistic estimates range as high as 250 trillion cubic feet. Already, energy companies are competing for drilling leases around the state's northwest corner at mind-bending rates.

Local landowners are signing leases with such companies as Chesapeake Energy and Petrohawk at \$10,000 to \$30,000 an acre, according to news reports. Many energy companies are paying steep signing bonuses, minting new local millionaires.

These figures leave many Louisiana leaders optimistic about the opportunity for increased state revenues, potentially creating an annual fiscal stimulus to state coffers as high as \$715 million if the 2007 figures for Texas' Barnett Shale are any indication. But many opportunities depend on factors that will take a year or more to realize, such as whether an area is drilled, if gas is found and whether market prices hold steady.

Advances in drilling technology that allow for horizontal drilling have made formations such as the Haynesville Shale commercially viable. But drilling here, with wells costing \$6 million to \$8 million each, is more expensive than conventional natural gas sources.

News accounts speak to a \$10 billion total annual stimulus in the Fort Worth area associated with the Barnett Shale. The possibility for big dividends in Louisiana is already evident. The DeSoto Parish Police Jury recently found itself contemplating a \$28.7 million deposit – nearly one and a half times the annual parish budget. It remains to be seen how much more will come out of the ground and into individual, local, parish and state pockets. Look for updates in future issues of *EQ*. **EQ**

For more information, contact Matt Braud at matt.braud@la.gov.

Louisiana makes Military Advances

Military operations in Louisiana are vital economic engines for many communities across the state. In 2001, officials in the New Orleans area recognized the potential risks associated with reduced military presence and began discussions with the U.S. Department of the Navy to create a unique public-private venture for the Naval Support Activity (NSA) on the New Orleans West Bank.

In 2005, the U.S. Department of Defense (DOD) recommended the closure of several facilities, including NSA. Fortunately, a coalition of state and local leaders achieved the near impossible. They presented an innovative, cost-effective partnership, coupled with a significant financial commitment from the state, and convinced the Base Relocation and Closure (BRAC) Commission to remove NSA from the closure list.

The BRAC decision resulted in the relocation of New Orleans-area military commands to Federal City, along with the Marine Corps Support Activity from Kansas City, Mo. This decision will retain 1,663 jobs and create 300 new jobs for the region.

In return, the state of Louisiana committed up to \$100 million to make Federal City a viable project with unique benefits to DOD. To accommodate increased construction costs resulting from Hurricane Katrina in 2005, the

state's commitment rose to \$150 million. To meet BRAC requirements, the state needed to have funds in place and commence construction by September.

Members of Louisiana's congressional delegation and other state, federal and local officials broke ground on the Marine Force Reserves Headquarters, Federal City's anchor tenant, on September 30, meeting the BRAC deadline.

Repurposing an installation adds jobs, economic stimulus.

The headquarters, along with various improvements and upgrades, is expected to be mostly complete by June 2011.

By committing to make Federal City a success, state leaders hope this demonstrates to federal officials that Louisiana is serious about its commitment to strategic partnerships with DOD and other federal agencies, contractors and suppliers. **EQ**

For more information, contact Steven Grissom at sgrissom@la.gov.



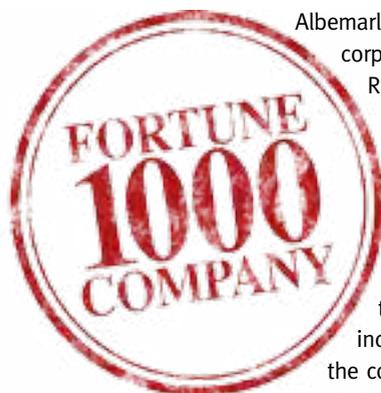
momentum LOUISIANA

13 companies that
said 'YES' to Louisiana

ALBEMARLE®

ALBEMARLE CORPORATION

30 jobs @ \$230,000 avg.



Albemarle Corporation announced plans to relocate its corporate headquarters from Richmond, Va., to Baton Rouge, La. The move creates Louisiana's fifth Fortune 1000 company – adding to Entergy, The Shaw Group, CenturyTel and Pool Corporation. Company executives cited several factors in the decision, including the positive direction of the state and city, prior success with existing administrative and manufacturing activities in the Baton Rouge region, and the state and local incentives package, which will help offset most of the company's relocation expenses. Albemarle leaders particularly cited Louisiana's recent ethics reforms and elimination of the sales tax on natural gas as key deciding factors.

"We are focused on maximizing Albemarle's global position to create long-term value and momentum, and relocating our corporate headquarters to Louisiana is a key element of this strategy. We have considered combining our executive and administrative offices for some time and evaluated several cities in the Southeast. There were many factors that drove our decision. We were particularly impressed with the level of collaboration between the state administration, the city-parish and the local business community to meet our needs and drive the process. Ultimately, the combination of the new administration's ability to drive progressive initiatives for the state, our confidence in the direction of the city of Baton Rouge and the close proximity to many of our key customers and suppliers, made it clear that Louisiana is the right choice for Albemarle."

MARK C. ROHR
President and Chief Executive Officer of Albemarle Corporation



BATON ROUGE COCA-COLA® BOTTLING COMPANY

113 jobs (475 retained) @ \$45,000 avg.,
\$93 million capital investment

Baton Rouge Coca-Cola Bottling Company, in collaboration with The Coca-Cola Company, will become a regional production and distribution hub for the Coca-Cola system, creating up to 113 new jobs. The revised building design increases the facility by 270,000 square feet, expanding local capability to include production of POWERade and Vitamin Water through the addition of three thermal lines, for a total of six high-speed lines. Baton Rouge Coca-Cola will supply POWERade and Vitamin Water to Coca-Cola bottlers throughout Louisiana and in neighboring states.

"Baton Rouge is perfectly positioned to be a southeastern regional hub for the Coca-Cola

system, and we are excited to play a key role in the expansion of our industry, as well as serve as a driver of economic growth in our community. We have confidence in our business, and we are pleased to bring this new opportunity to Baton Rouge and Louisiana. We looked at other sites, but Baton Rouge was the most appealing because of our history in this area and the economic partnership that we have with the city and state. We are building a world-class facility and are proud to have an opportunity to do so in Baton Rouge."

DARIAN CHUSTZ
President of Baton Rouge Coca-Cola Bottling Company

BERCEN INC.

20 jobs @ \$90,000 avg.,
\$5 million capital investment

Bercen Inc. will move its headquarters, as well as its research and development and technical service laboratories, from Cranston, R.I., to Denham Springs, La. Along with relocating its headquarters and laboratories to Livingston Parish, Bercen plans to expand its local manufacturing operation, which has been providing products, services and innovation to the paper industry for more than 40 years.

"Our major facility has been in Denham Springs all along. We started studying the potential of moving our headquarters to Louisiana because of the successes we have had with interns from Louisiana State University (LSU) and Southeastern Louisiana University. We were able to hire a PhD from LSU to work in our research and development facility, and the \$500,000 grant from LED solidified the deal."

JIM THORPE
President and Chief Executive Officer of Bercen Inc.





ELECTRONIC ARTS (EA)

**20 full-time jobs, 200 part-time jobs,
\$1 million capital investment**

Electronic Arts (EA), Louisiana State University (LSU) and Louisiana Economic Development have formed a partnership that will lead to the creation of a new global quality assurance (QA) center in Baton Rouge, La. The facility will be the first of its kind in the United States and will serve primarily as a test center for EA SPORTS software titles. Individuals involved in the partnership cited multiple reasons why the Baton Rouge area was selected for the project. The list included an abundance of potential technology-minded employees, a deeply rooted sports culture that is highly valuable for evaluating sports-themed software, digital media tax credits and a digital media curriculum being vigorously cultivated at LSU through a new program called AVATAR (Arts, Visualization, Advanced Technologies And Research).

“We are proud EA will assist in the development of the digital media industry in Louisiana. We feel EA SPORTS is a great fit with LSU as there is a deep-rooted heritage in sports at the university. This partnership will open future opportunities for the state of Louisiana, LSU and EA.”

SHARON KNIGHT
Senior Vice President of EA Central Development Services



NORTHROP GRUMMAN TECHNICAL SERVICES INC.

**80 jobs (217 retained) @ \$51,000 avg.,
\$3 million capital investment**

Northrop Grumman Technical Services Inc. will construct a new 20,000-square-foot, air-conditioned assembly building for its Lake Charles Maintenance and Modification Center. In addition to the 80 new jobs, the Lake Charles, La., expansion will help retain 217 existing jobs. Northrop Grumman is a defense industry leader providing innovative systems, products, solutions and services to the U.S. Department of Defense and other governmental agencies focused on aerospace, information, electronics and shipbuilding.



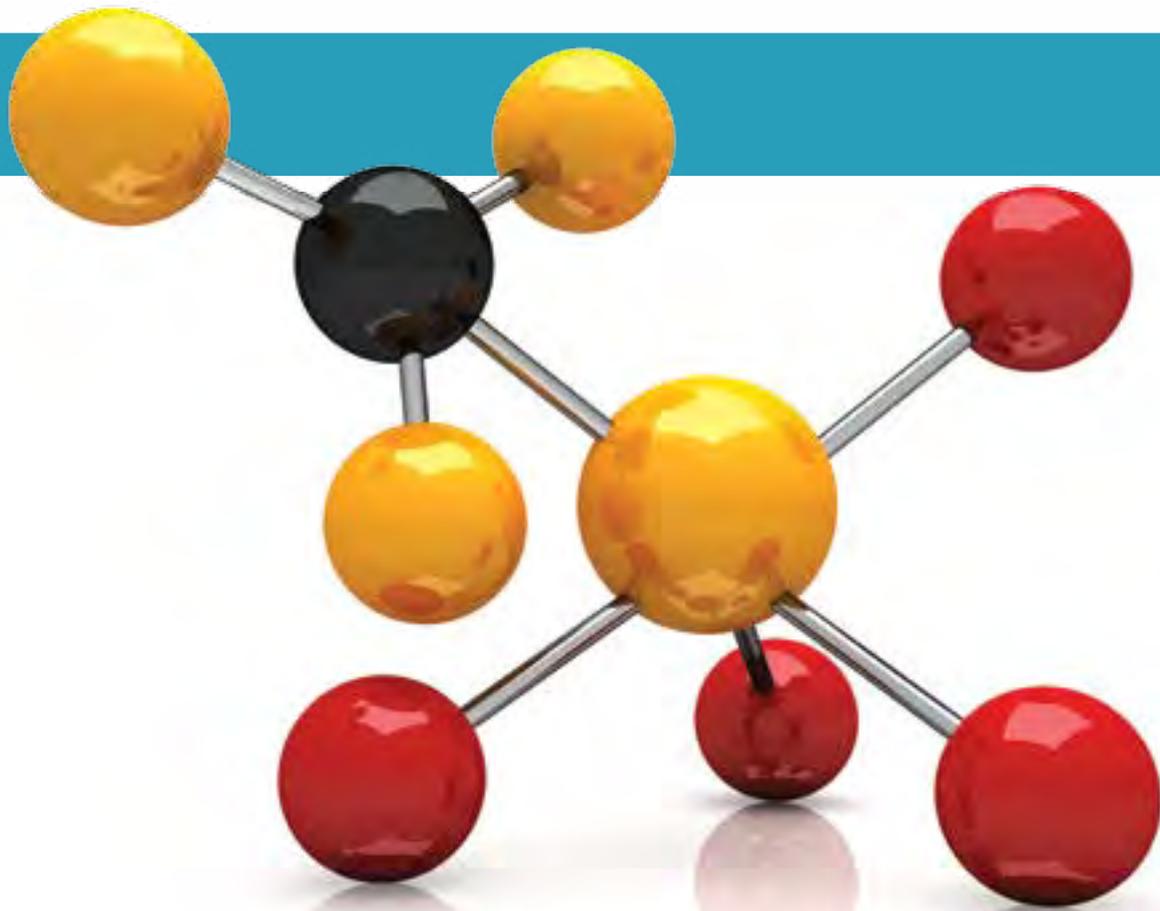
SUPERIOR HOMES LLC

**150 jobs @ \$25,000 avg.,
\$3 million capital investment**

Superior Homes LLC of Louisiana will construct a 71,000-square-foot manufacturing facility in Clinton, La., to produce modular homes, schools, restaurants, dorms, cafeterias and other light commercial buildings.

“We are excited about the opportunity we have here in Louisiana. Employing Louisiana citizens appeals to us the most. As a lifetime resident of this great state, it is a thrill for me to see the level of support Louisiana Economic Development and the Baton Rouge Area Chamber gave to our project. Louisiana still has a massive affordable housing need, and Superior Homes will do its part to help fulfill that need. From the top down, everyone sees the value of this project.”

FLYNN FOSTER
President of Superior Homes LLC




THE SHAW GROUP INC. & WESTINGHOUSE
 1,400 jobs @ \$50,000 avg.,
 \$100 million capital investment

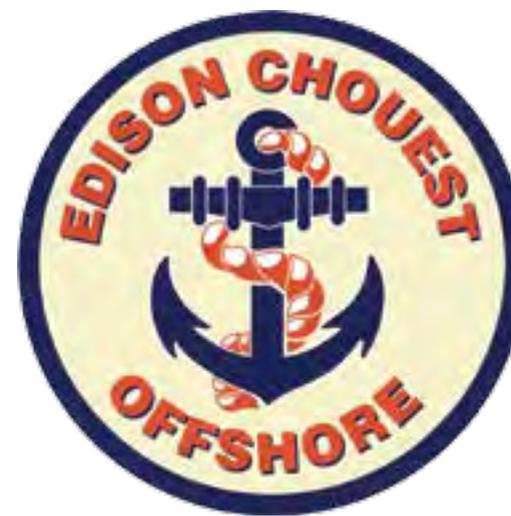
The Shaw Group Inc., in partnership with Westinghouse, will open the first U.S. manufacturing facility focused on building modular components for both new and modified nuclear reactors. The new facility will construct modular components that make up roughly a third of new AP1000™ nuclear power plants being built in Lake Charles, La. In addition to constructing components for nuclear reactors, the new Lake Charles facility will have the capability to manufacture modules for chemical sites and petrochemical plants around the world. According to an economic impact analysis performed by Louisiana State University, the Shaw/Westinghouse agreement will result in \$17.8 billion in new sales, \$4.5 billion in new earnings and 9,205 total new Louisiana jobs, including indirect jobs, over 15 years. These benefits do not include the value of the potential for Louisiana to become a national leader in nuclear component manufacturing at a time when the nuclear energy industry is expected to experience rapid growth for decades to come.

“I want to thank Gov. Bobby Jindal and Secretary Stephen Moret, as well as his economic development staff, and the many officials in Lake Charles who worked so diligently to locate the new module fabrication and assembly facility at the Port of Lake Charles.”

J.M. BERNHARD JR.
 Chairman, President and Chief Executive Officer of The Shaw Group Inc.

“The agreement to fabricate modules for the AP1000™ nuclear power plant in Louisiana again proves that the nuclear renaissance is now a reality. Westinghouse and our consortium partner The Shaw Group are providing four new plants in China, and we have been identified for no less than 14 plants here in the United States. Other markets are fast emerging. It is imperative, therefore, that we move decisively to develop the infrastructure to meet the needs of our fast-growing and essential industry. We thank all of our partners and the state of Louisiana for the hard work and commitment that makes today’s announcement a reality. We look forward to a long and mutually beneficial relationship.”

DAN LIPMAN
 Senior Vice President of Westinghouse, Nuclear Power Plants




EDISON CHOUEST OFFSHORE
 1,000 jobs @ \$54,000 avg.,
 \$100 million capital investment

Edison Chouest Offshore (ECO), one of the world’s fastest growing and most technologically advanced offshore vessel service companies, will expand its shipyard operations at the Port of Terrebonne. The continued growth of the company will affect affiliated shipbuilding companies including ECO’s sister company LaShip, which will manufacture vessels to accommodate the increasing needs of the deepwater offshore oil and gas industry.

“We at Edison Chouest Offshore are proud of our Louisiana heritage and are excited about the creation of 1,000 jobs in Terrebonne Parish.”

GARY CHOUEST
 President of Edison Chouest Offshore


SOUTHERN RECYCLING
 100 jobs (150 retained) @ \$45,000 avg.,
 \$40 million capital investment

Due to the closure of the Mississippi River-Gulf Outlet (MRGO), Southern Recycling had to select a new location for its shipbreaking and metal recycling operations. The company, one of New Orleans’ oldest businesses, considered six in-state and out-of-state deepwater sites. Southern Recycling purchased approximately 344 acres of bature land and 117 acres of contiguous dry land in St. Charles Parish, La. The site’s deepwater access and large, wide bature were critically important to the company’s ability to receive ships being scrapped and to transport recycled materials to customers.

“As a Louisiana company for 108 years, this is the place we want to do business, and we wanted to stay as close to New Orleans as possible. When Louisiana Economic Development learned we needed to find a new location for our operations, they called on me and said they wanted to help. I wouldn’t have known about the site in St. Charles Parish or how to go about searching for one in Louisiana without their assistance.”

JOEL DUPRÉ
 Chief Executive Officer of Southern Recycling





DIESEL TECH OF LOUISIANA LLC

**40 new jobs (43 retained)
@ \$32,500 avg.**

Diesel Tech of Louisiana LLC is a multifaceted heavy industrial and marine service company in Houma, La., that provides sales, service, parts and warranties for diesel engines ranging from 100 to 1,080 horsepower. Louisiana Economic Development Corporation (LEDC) has provided a \$1.5 million loan guaranty for construction of a 47,322-square-foot commercial building to expand the company's daily operations.

"I know there are many programs out there that may help companies grow. I would like to say that LEDC, in my opinion, is one of the top organizations in our community that wants to see small businesses succeed. This organization looked at us and saw that we have what it takes to be a great company. They gave us that chance to prove what we are all about."

RICKY PRICE
President of Diesel Tech
of Louisiana LLC



ACADIANA HARDWOOD LLC

**6 new jobs (20 retained)
@ \$10.52/hr avg.**

Acadiana Hardwood LLC is a newly formed Louisiana sawmill business headquartered in Baton Rouge, La., which deals in specialty lumber and building materials. Under the Louisiana Economic Development Corporation (LEDC) Small Business Loan Program, Acadiana Hardwood will receive a loan guaranty of \$610,000 to finance land and building improvements to the recently purchased Marionneaux Lumber Company Inc. The purchase expands operations to Pointe Coupee Parish.

"We are really excited about expanding our operation west of the Mississippi River. Acadiana Hardwood LLC feels that this region of the state offers some real opportunities for growth in our business. We also recognize that this move would not have been possible without the help from LEDC, and for that, we are grateful."

MAGRUDER HAZLIP
President of Acadiana Hardwood LLC



GLOBAL DATA SYSTEMS INC.

31 jobs (70 retained) @ \$50,000 avg.

Global Data Systems Inc. (GDS), headquartered in the Louisiana Immersion Technology Center in Lafayette, La., is an advanced IT company that delivers world-class IP solutions and satellite communications services. The company will use a \$1.8 million loan guaranty under Louisiana Economic Development Corporation's (LEDC) Small Business Loan Program for a satellite communication expansion project that will retain 70 high-tech employees and create 31 new jobs.

"Today, GDS is excited about its future to grow and prosper its business right here in Lafayette. With the help of our state's Economic Development Program, administered locally by Gregg Gothreaux's Lafayette Economic Development Authority team of Rebecca Shirley and Mark Mouton, GDS was able to structure an economic development loan with Teche Federal Bank's Chris Brown and Kevin Caswell. GDS was able to take advantage of the emerging business opportunity on its horizon to grow and expand its business and employment base. With the addition of satellite communications to its product offerings, the company is projecting to grow its employment base by 31 new jobs over the next five years."

BRENT J. BERARD
Vice President of
Global Data Systems Inc.



PEOPLE. EXPERTISE. SOLUTIONS.



ZAGIS USA

**160 jobs @ \$31,000 avg.,
\$75 million capital investment**

Earlier this year, Zagis USA broke ground on the first of two textile mills to produce cotton yarn. When completed, the mills will be a significant investment in cotton processing in Southwest Louisiana. The operation will yield one of the lowest production costs in the world due to access to raw materials and proximity to major ports. Rather than sending raw, unprocessed materials to processing plants in other locales, Zagis will ship a value-added agricultural product from Louisiana. LED and Zagis have been working on the project for the past two years.

"Zagis chose Louisiana because of its location relative to raw material, its infrastructure – interstate, rail, ports – and the strong entrepreneurial support from Louisiana's departments of economic development and agriculture."

DAN FEIBUS
Chief Operating Officer of Zagis USA

Starting a new business is never simple. But that didn't stop entrepreneur Adam Rubin from making his dream of owning his own company a reality. By seeking out every local and state resource he could, Rubin successfully launched Southern Textile Services, an Alexandria, La.-based health care linen service, in 2007.

The company began with 14 employees. And in less than two years, Southern Textile Services has grown to more than 50 employees and a fleet of delivery trucks providing nationally accredited laundry services to numerous health care facilities across Louisiana and Mississippi. In fact, the company is one of only 50 such businesses in the United States to meet the strict guidelines for this accreditation.

"It's been very fast growth," said Rubin. "My family has been involved in the laundry industry for 30 years, but this is a new segment of the business."

To enter that segment, Rubin tapped every available small business program he knew. One of his first calls was to the Louisiana Small Business Development Center (LSBDC) at Northwestern State University, a partnership between Louisiana Economic Development (LED), U.S. Small Business Administration (SBA) and Louisiana universities.

"When Adam came to us, he had a business plan and a vision, and knew where he wanted to go," said Frances Methvin, assistant director of the Central Louisiana SBDC. "But he needed to know how to get there most efficiently, which is what we were able to provide."

With Methvin's assistance, Rubin gained access to a wealth of state, federal and local entrepreneurship support programs that aided multiple facets of his startup, including cash flow projections and financing sources. Through LED's Small and Emerging Business Development (SEBD) Program, Rubin found new resources to help him purchase custom inventory control software.

The SEBD program is designed to help small businesses grow, assisting with entrepreneurial training, accounting and legal needs, marketing, industry-specific assistance and computer skills. By becoming a certified small and emerging business owner, Rubin was eligible for other business growth opportunities, such as the Bonding Assistance Program, Louisiana Economic Development Corporation Loan Guaranty Program, and consideration for bidding on selective service or product purchases by state agencies, including hospitals.

To be eligible for the state's SEBD program, a business must meet specific criteria. For example, the company's principal place of business must be in Louisiana, and it must be organized to perform a lawful, commercially useful function. Also, the business should have a net worth of less than \$1.5 million at the time of application and must anticipate creating new full-time jobs.

Rubin also registered for the state's Angel Investor Tax Credit Program, which was established to foster Louisiana's entrepreneurial environment. "I wanted to have access to investor capital when we are ready to seek that out in the future," Rubin said. "The program is a good component to help us market our company for investment."

Rubin worked closely with the Central Louisiana SBDC and one of its economic development partners, Kisatchie-Delta Regional Planning and Development District, throughout the initial phases of his startup. "Every time he came to us, he would pick our brains for how to do things and what to do, which is exactly what we're here for," said Methvin. "He is a perfect example of someone who has taken advantage of the SBDC and all the programs available to small businesses."

This ambition and "go-getter" spirit, as Methvin calls it, earned Rubin the *Small Business Person of the Year* award for Central Louisiana in 2007.

"I have tried to take advantage of everything that's available," said Rubin. "I would not have been able to afford to start this business without the SBDC's insight and assistance." **EQ**

For more information about Louisiana's small businesses, contact Patrick Witty at witty@la.gov.



Loads of Opportunity

Tools for SUCCESS

**ONLINE TOOLS TO HELP LOUISIANA
COMMUNITIES BECOME MORE COMPETITIVE.**

LouisianaCommunityNetwork.com modules are customizable so that each community has access to the individual tools it needs. Each module contains ready-to-use training tools, templates and resources to help build Louisiana's communities.

- Introduction to Community Development
- Community Assessment
- Strategic Planning for Local Development
- Building Leadership in the Community
- Business Retention and Expansion
- Creating a Community that Encourages Innovation, Entrepreneurship and New Business Startups
- Developing Local Incentive Programs
- Funding Community Development
- Marketing Your Community
- Community Emergency Preparedness
- Lean Communities

Helping their communities to become competitive and differentiated in today's global economy is a primary goal of economic development organizations. The foundation of this effort is community development, in which the product (i.e., town, city, region, parish) is prepared and positioned as a marketable place in which to live, work and do business.

So write Jennifer Tanner and Robert Pittman, managing director and executive director, respectively, of the Strategic Growth Institute and the Community Development Institute at the University of Central Arkansas. The two are recognized national authorities on community development and authors of "A Comprehensive Strategy for Community Development in Louisiana, Phase I: Identifying Tools for Success." It's a compelling idea – as communities go, so goes the state – and one Louisiana Economic Development (LED) has fully embraced to the extent that it launched the Louisiana Community Network in August at the Louisiana Municipal Association's (LMA) annual convention.

The network is an online tool kit for community readiness. Its 11 modules focus on creating "development-ready communities" through training resources in three key areas: community foundation processes for those needing to start or update their local strategic planning; development-focused areas and activities for those with a plan ready to enrich their economic development programs and improve the business climate; and community differentiation for those developing marketing, emergency preparedness and quality improvement strategies.

Clarence R. Fields, mayor of Pineville, La., and past-president of LMA, said the online network empowers communities to prepare for "investment, growth, sustainability, leadership and improved quality of life."

This fully implementable tool kit, including the process used to develop it, is the first of its kind in the nation, according to Tanner. "Louisiana is the leader in promoting community development and investing in a system to help communities become more competitive," she said.

Developed over two years through an intensive research and consensus-building process, the online

network grew from a clear need to help smaller, rural communities better understand what steps they could take to improve their opportunities for economic growth. A working group of 60 to 70 community and economic development professionals from across the state, along with local economic development, education and faith-based organizations and community leaders, led the charge.

"I have never seen a state put such effort into polling and surveying to find out what communities really need and then provide exactly those tools and resources," added Tanner.

This is not a "one-size-fits-all" tool kit. "Louisiana went through a patient process to determine what communities actually did need and how to allow various constituencies to keep their own personalities," said Tanner. "It allows communities to work through the process to become their best selves."

Lynn Lewis, mayor of Delhi, La., added, "The hardest thing about the development process is knowing where to start. This is a fantastic tool that gives us the templates to go by so we can do the work ourselves, no matter where we need the most guidance."

In the future, LED plans to add more sections, such as certified sites, economic development organization models and land-use planning based on smart-growth principles – all areas that local communities have expressed interest in.

"Every community has unique assets that can make them competitive in the global economy," said LED Secretary Stephen Moret. "But not every community is ready to participate at the same level. That's why we've invested significant time and effort into giving them the tools they have told us they need to succeed. It's another step toward improving Louisiana's economic development product." **EQ**

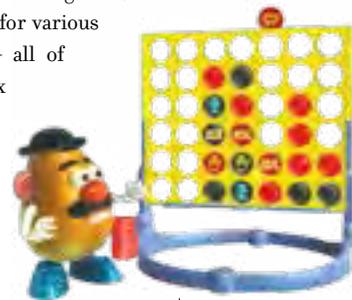
For more information, visit LouisianaCommunityNetwork.com.

Taking digital arts to the next level

Looking around Louisiana, you'll find evidence of the rise of what award-winning author and intellectual Richard Florida cites as the next great wave in America's economic evolution – the creative class and creative industries. It's most evident in the film sets that dot the state's landscape and now in the growth of the interactive digital media sector: video games, digital effects, and online or 3-D applications (for various industries, from entertainment to defense) – all of which qualify for the state's digital media tax credits.

It's a desirable industry. In 2007, more than 267 million video and computer games (540 games a minute) were sold in this country alone. More than 60 percent of U.S. households play computer or video games. The vast majority of the jobs are high-paying,

knowledge-based jobs. *Game Developer* magazine calculates the average annual compensation is approximately \$75,000, plus substantial bonuses and benefits.



Already, video game developers and other interactive digital media companies contribute millions to Louisiana's economy. In 2006, entertainment software development was already a \$9.4 million industry in the state. With the entrance of Nerjyzed (pronounced "energized") Entertainment, Yatec Games and Resurgent Entertainment in the last few years, and the recent announcement of Electronic Arts (EA) locating its first U.S. video game testing center in Baton Rouge, La., this number has risen significantly.

According to EA Senior Vice President Sharon Knight, Louisiana was attractive due to its "deep-rooted heritage in sports," the state's digital media tax credits and the pipeline of human capital being vigorously cultivated at state universities.

This pipeline – soon to begin pumping out potential employees – consists of programs at Louisiana State University (LSU), LSU-Shreveport and University of Louisiana at Lafayette (ULL). LSU's new AVATAR (Arts, Visualization, Advanced Technologies And Research) initiative is designed to build a multidisciplinary faculty base to meet this demand.



Louisiana lawmakers authorized \$750,000 to develop a curriculum and workforce development program involving ULL and the Louisiana Immersive Technologies Enterprise (LITE) in Lafayette. LSU-Shreveport has also started developing a new digital media initiative.

Jacqueline Beauchamp moved her company, Nerjyzed Entertainment, and its 14 employees from Dallas to Baton Rouge in 2006. She now has 48 employees, and new hires are primarily from Louisiana. Last fall, the company's first video game, *Black College Football Experience* (BCFx), hit the shelves complete with authentic band performances from historically black colleges and universities such as Louisiana's Grambling State University and Southern University.

New Orleans-based Turbo Squid, whose executives along with Beauchamp helped design the state's digital media tax credits, was among the first to take advantage of incentives. The company hosts the largest 3-D marketplace in the world for models and digital assets

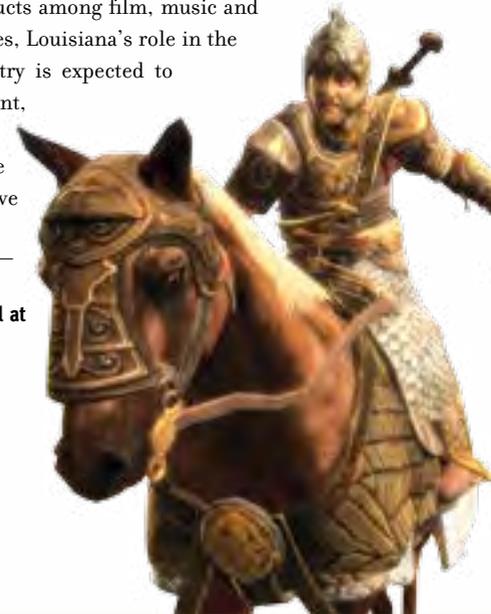
used in game development and other digital media industries.

Since its formation using the digital media tax credit, Yatec Games has released two casual games, *Enchanted Garden* and *Identity Quest*, and is developing another title to assist children with speech articulation problems.

The Louisiana Optical Network Initiative (LONI) is a highly developed, publicly funded, statewide 40 GB network infrastructure that can support a robust video and computer game and 3-D application development industry. The state has also invested in two new economic development staff positions devoted to the digital media industry as a result of the interest generated by the digital media tax credit. And local entities, such as the Baton Rouge Area Digital Industries Consortium (BRADIC), which was instrumental in attracting EA to Louisiana, help support digital media business recruitment, expansion, startup and retention.

As the cross-pollination of creative talent and convergence of products among film, music and video games continues, Louisiana's role in the entertainment industry is expected to remain at the forefront, continuing to capitalize on the state's native creative culture. **EQ**

For more information, contact Sherri McConnell at smccconnell@la.gov.



INDUSTRY DEVELOPMENT TIMELINE

Winter/Spring 2005
Development of digital media tax credit program.

2006
CERT (Consortium for Education, Research and Technology), a partnership among North Louisiana's nine colleges and universities, launches initiative to support workforce development and industry growth in Louisiana.

Spring 2006
Yatec brings industry jobs to Louisiana.

2007
Yatec releases first casual game, *Enchanted Garden*.

2008
Yatec releases second casual game, *Identity Quest* (IQ).

Spring 2008
Legislature targets \$750,000 towards a digital media workforce development program, partnering University of Louisiana at Lafayette and Louisiana Immersive Technology Enterprise.
LSU creates AVATAR initiative.

Fall 2008
CERT and LED co-host business development tour of Louisiana for digital media executives from around the country.

Summer 2005
Andy Redman, graduate student at Cambridge University, publishes *The Next Big Thing*, a study of the potential of the video game industry, commissioned by the Baton Rouge Area Chamber and Louisiana Technology Park.

Louisiana Legislature passes legislation creating the state's digital media tax credit.

Winter 2006
Nerjyzed Entertainment moves from Dallas to Baton Rouge.

Fall 2007
Nerjyzed releases first video game, *Black College Football Experience* (BCFx).

BRADIC formed to aggressively pursue the relocation, expansion and startup of digital media companies in Louisiana's Capital Region.

Summer 2008
State government authorizes creation of two new full-time business development positions focused on digital media industry within LED.

Electronic Arts (EA) announces the location of its first quality testing facility in Baton Rouge for EA SPORTS titles.

Changing PERCEPTIONS and **BUCKING** National Trends



Across the United States, consumers are feeling the pinch of falling home prices, tight credit and a shaky job market. Yet, not every state is embroiled in an economic malaise. Louisiana, a state long known more for Mardi Gras and gumbo than job growth and business investment, is showing surprising economic resiliency and even continued growth, despite the nation's economic downturn.



**LOUISIANA'S ECONOMY:
OUTPERFORMING THE NATION**

While the national economy has been shedding jobs, Louisiana has been creating jobs. The United States has lost jobs every month this year, while Louisiana has gained jobs in most months. In fact, job growth has been so steady in Louisiana that employers had roughly 80,000 job openings at the end of the third quarter.

The national economy has experienced rising unemployment for the last few months. Yet just a few months ago, Louisiana hit a 30-year low in unemployment. In fact, even after hurricanes Gustav and Ike made landfall in September, the state's unemployment rate remains well below that of the nation as a whole.

South Louisiana has a five- to 10-year backlog of industrial construction projects, and Louisiana's housing and real-estate markets also are holding up well. Although sales volumes have slowed, Louisiana has not experienced the real estate price declines plaguing much of the country. In fact, one national group predicted there is a negligible

chance housing prices will decline in any of Louisiana's metro areas over the next two years.

While other states have experienced budget deficits, Louisiana is experiencing its third budget surplus in a row. While some of the nation's top banks have been

The state's unemployment rate remains well below that of the nation as a whole.

significantly strained, Louisiana's banking sector remains healthy, and its banks continue making loans.

Louisiana certainly is not immune to the national economy. But so far its economy is holding up so well, some think Louisiana could be one of the states that helps the national economy pull out of the current difficult period.

Despite Louisiana's relative economic performance, state and local leaders are not sitting still. By all accounts they are working hard to position Louisiana for a brighter economic future.

**ECONOMIC REFORM IN LOUISIANA:
BECOMING THE NEXT GREAT AMERICAN
STATE FOR BUSINESS INVESTMENT**

For decades, Louisiana has taken a back seat to other southern states when it comes to attracting high-paying jobs. In fact, it has been said that Louisiana's greatest export isn't its agriculture products, petrochemicals, or even oil and gas; its greatest export far too often has been its people – the sons and daughters of Louisiana who felt they had to leave to find greater opportunities in places such as Houston, Dallas or Atlanta.

Louisiana recently has been assertive in repositioning itself as the next great American state for business investment, quality of life and economic opportunity. Specifically, state leaders have taken aggressive steps to improve Louisiana's economic competitiveness and attract jobs and business investment.

A 2005 survey of national business executives by Louisiana State University suggested that one major step Louisiana could take to attract more business investment would be to clean up its image of corruption. Together, Louisiana Gov. Bobby Jindal and the Legislature have worked to turn around this negative image. In a special session this year, they adopted the strongest governmental ethics laws in the country, including reforms to eliminate conflicts of interest, and increase transparency and accountability in government.

These reforms attracted national media attention and positive reviews from top governmental watchdog groups. For instance, The Center for Public Integrity said Louisiana's new financial disclosure laws are among the very best in the country. Moreover, the Better Government Association said Louisiana's governmental ethics reform package improved the state's ranking from 46th to fifth in the country, and that Louisiana will move into first place once their rankings are revised for conflict-of-interest laws.

Louisiana has long been known as a unique, interesting place when it comes to food and festivals. But leaders know the state can't afford to continue being known as a unique, interesting place when it comes to its tax and

regulatory policies. That's why their next steps were to eliminate several unconventional business taxes and implement the largest personal income tax cut in state history.

In another special session, state leaders adopted a long-term transportation financing solution that will bring billions in new investment for roads and bridges, and did so without raising taxes.

Most recently, state leaders worked together to adopt a comprehensive workforce development reform package to improve the effectiveness of community and technical colleges, provide turnkey workforce solutions to expanding and relocating businesses, and ensure that Louisiana's workforce programs address real business needs.

State leaders also implemented conservative fiscal management practices. For example, a state hiring freeze

For the first time in Louisiana's history, the state has become a hotbed for education innovation.

saved \$39 million and led to the elimination of nearly 1,000 state jobs. And the state ended its long-held habit of using one-time revenues to cover recurring expenditures. These efforts helped support targeted tax cuts, while freeing up funds to invest in higher education, transportation, ports, research, health care and coastal restoration.

Moreover, for the first time in Louisiana's history, the state has become a hotbed for education innovation. In New Orleans, education leaders are working with national nonprofits and foundations to implement charter schools, school choice for disadvantaged kids and other promising reforms.

The rest of the country is starting to take notice. Citing strong fiscal management, three major credit rating agencies – Moody's, Standard & Poor's and Fitch – recently upgraded Louisiana's bond ratings. For the first time, *U.S. News & World Report* ranked LSU in the top tier of its America's Best Colleges list. And *Forbes* magazine increased its growth-prospects ranking for Louisiana to 17th from 45th among the 50 states.

These reforms are starting to pay off in new business development as well.

EARLY SIGNS OF LOUISIANA'S NEW ECONOMIC MOMENTUM

Business development efforts have led to noteworthy achievements in high-growth industry segments, including digital media and nuclear energy.

Louisiana is now among the top three states nationally for film production. Starting with Electronic Arts (EA), the world's leading interactive entertainment software company, the state is building on this momentum in the digital media sector. EA recently announced its partnership with LSU to launch a Baton Rouge-based global quality assurance center.

Jonathan Dee recently noted in The New York Times that "no one would think of denying that video games are big, but few grown-ups outside the business have an understanding of just how big they've become."

In August, The Shaw Group and Westinghouse announced plans to build in Louisiana the first U.S. manufacturing facility that will produce modular components for new and modified nuclear reactors. Westinghouse Senior Vice President, Nuclear Power Plants Dan Lipman said, "The agreement to fabricate modules for the AP1000™ nuclear power plant in Louisiana again proves the nuclear renaissance is now a reality."

Over the last few decades, Louisiana has lost a large number of its corporate headquarters to more business-friendly markets. Fortunately, there is evidence this trend is shifting back in the state's favor:

Albemarle Corporation, a Fortune 1000 specialty chemicals company, decided to relocate its corporate

headquarters to Baton Rouge from Virginia. According to Albemarle Chief Executive Officer Mark Rohr, when the company was looking for a new location several years ago, Baton Rouge ranked well "because of the quality of the people that were here, the great industry that's here and the start of the progression to move forward." But it didn't rank at the top.

After Hurricane Katrina, however, Rohr was so impressed with Baton Rouge residents' response to the recovery effort, including Albemarle employees who volunteered, company executives started paying more attention. "When [Gov. Bobby Jindal] came in, it became a really easy decision to become a part of the great transformation of this state," he says. "We're proud of what Louisiana stands for, and we're looking

forward to a long and very prosperous stay here in Louisiana as we continue to grow Albemarle." For details on this announcement, see p.12.

Additionally, Bercen Inc. will move its headquarters, as well as its research and development and technical service laboratories, from Cranston, R.I., to Denham Springs, La. For details, see p. 13.



Over the last few decades, Louisiana lost a large number of its corporate headquarters, but there is evidence this trend is shifting back in the state's favor.

BUILDING ON THE EARLY MOMENTUM

Although Louisiana may not be one of the nation's economic powerhouses yet, it's showing signs of a possible economic renaissance. How will Louisiana keep it going? Louisiana Economic Development has articulated seven priorities it will pursue to create a brighter economic future.



Creating a Brighter Economic Future for Louisiana: New Priorities at Louisiana Economic Development

1. INCREASE STATE ECONOMIC COMPETITIVENESS

The vast majority of business location decisions are driven by fundamentals such as labor quality, availability and cost; the tax and regulatory environment; quality-of-life factors; and transportation assets. Accordingly, LED's top priority is to increase Louisiana's state economic competitiveness – making Louisiana a more attractive place to invest.

To achieve this, LED will establish a State Economic Competitiveness (SEC) Group, focused on identifying opportunities to increase Louisiana's competitiveness, and will create the Louisiana FastStart program – a turnkey workforce solution for expanding and relocating businesses.

The SEC Group will identify improvements to Louisiana's business incentives, business tax structure, regulatory environment for electricity, and automotive industry competitiveness. In addition, the SEC Group will identify new growth industries for the state to pursue and articulate a plan to capture each of them.

2. ENHANCE THE COMPETITIVENESS OF LOCAL COMMUNITIES

When selecting locations for new business investment, companies primarily consider local and regional issues, such as the availability of skilled workers. Therefore, overall economic development success in Louisiana requires cultivating strong local and regional efforts. More specifically, it is crucial for local communities to have a comprehensive economic development plan with adequate funding, capable staff and coordination from public and private sectors to be successful.

In response to these needs, LED launched a first-in-the-nation, Web-based suite of educational modules. Called the Louisiana Community Network, these modules increase local economic development capacity, exemplifying what can be provided to make Louisiana's communities more competitive. LED will build on this early success with more programs to increase community competitiveness in Louisiana's 64 parishes, including a certified sites program, a statewide site database and benchmarking resources.

3. CULTIVATE LOUISIANA'S TOP REGIONAL ECONOMIC DEVELOPMENT ASSETS

Louisiana's eight regions each have unique economic assets that could create a thousand or more high-paying jobs with the right leadership and targeted investment. In the near future, LED will develop a regional economic development asset program to identify targeted investment opportunities that can create new jobs for the state.

The state's eight regions and examples of their unique economic assets are:

- New Orleans Area - NASA's Michoud Assembly Facility
- Northwest Louisiana - Cyber Command at Barksdale Air Force Base
- Capital Region - Pennington Biomedical Research Center
- Southwest Louisiana - Chennault International Airport
- Central Louisiana - England Airpark
- Northeast Louisiana - Franklin Farm Mega Site
- Bayou Region - several shipbuilding and oil service opportunities
- Acadiana Region - Louisiana Immersive Technologies Enterprise (LITE)

4. PROVIDE NEW LEADERSHIP FOR BUSINESS RETENTION AND EXPANSION

The vast majority of new job growth in Louisiana, and 100 percent of job losses, will come from businesses already in Louisiana. Too often the state has taken these companies for granted, with little focus on understanding and addressing their needs.

LED is creating a Business Retention and Expansion (BRE) Group that will develop and maintain close relationships with Louisiana's top employers and will

Louisiana is positioning itself to become the next great American state for business investment.

aggressively manage business retention and expansion projects. The BRE Group also will work with regional and local economic development organizations, as well as small business development centers, to develop a comprehensive, statewide business retention and expansion program.

5. DEVELOP NATIONAL-CALIBER BUSINESS RECRUITMENT CAPABILITIES

In addition to cultivating businesses already in Louisiana, the state will aggressively recruit businesses to attract the relatively few large projects that locate in the United States each year, as well as to attract investment in high-growth industry sectors that can diversify its economy.

Over the last few years, LED's business recruitment capabilities have been strengthened, thanks to increased marketing and deal-closing funding, including the Rapid Response Fund and the Mega Projects Development Fund. Nevertheless, LED is planning to make the transition from good to great.

This will be achieved by improving LED's project management processes; identifying and cultivating new industry sectors with the potential to diversify Louisiana's economy; launching a Web-enabled statewide database, leveraging GIS technology to provide an inventory of available sites and key demographic data; and cultivating strong relationships with the nation's top 100 site-selection consultants and nationwide business executives.

6. CULTIVATE SMALL BUSINESS AND ENTREPRENEURSHIP

Much of Louisiana's economic success derives from its geographic assets (e.g., the Mississippi River) and branch plants of large corporations (e.g., Dow) but the state hasn't done enough to cultivate small business and entrepreneurship. For example, Louisiana lacks sufficient access to early-stage capital to encourage new business formation.

LED is developing a strategy to reposition Louisiana as one of the best places in the country to start and grow a small business, as well as to create a more vibrant entrepreneurial culture. This strategy will focus on increasing support for small-business development centers, improving access to early-stage capital, cultivating technology-based businesses, expanding minority business development services, and reducing tax and regulatory burdens that hold back the growth of small businesses.

7. AGGRESSIVELY TELL THE STORY OF LOUISIANA'S RENAISSANCE

One of the greatest challenges facing economic development in Louisiana is that some business executives around the country hold negative perceptions about the state that are based on outdated or inaccurate perspectives. Accordingly, one of LED's top objectives is to assertively communicate the positives of locating in Louisiana and the reality that Louisiana is positioning itself to become the next great American state for business investment.

Louisiana's Renaissance is being backed up by such tangible results as:

- Pro-business public policy changes
- The elimination of unconventional business taxes
- Comprehensive workforce development reforms
- The relocation of Albemarle's corporate headquarters, a Fortune 1000 company
- Governmental ethics reforms
- The new Shaw/Westinghouse nuclear module manufacturing facility in Lake Charles
- EA's North American Test Center at LSU

The emerging Louisiana Renaissance and the resulting accomplishments are being noticed by national media outlets. By continuing to deliver bold public policy reforms and significant business development wins, Louisiana's leaders will have a legitimate success story to tell. This is a story that may continue to garner significant interest, locally, nationally and around the world. **EQ**



How planning softened the BLOW

LOUISIANA RESILIENT AFTER TWO BACK-TO-BACK HURRICANES

For the communities, leaders and citizens of Louisiana, hurricanes occasionally are an unfortunate fact of life. But after hurricanes Katrina and Rita, natural disasters will not go underestimated.

So when hurricanes Gustav and Ike slammed into Louisiana, leaving paths of destruction in their wake, Louisiana was prepared. In response to the economic damage caused by Mother Nature, the state and its leaders were able to help businesses get back up and running quickly.

Shortly after Hurricane Gustav, Louisiana Economic Development (LED), Louisiana Small Business Development Center Network, U.S. Small Business Administration and regional economic development partners launched six business counseling centers that provided free counseling, loan application support and technical assistance to small businesses.

LED and select local and regional economic development partners also helped assess damage to critical large employers and determine solutions to their recovery-related needs. This was accomplished by personally contacting more than 1,000 top economic-driver businesses in the communities, cities and parishes that suffered the most damage. LED and its partners also provided similar assistance after Hurricane Ike. These efforts helped businesses respond to both physical damage and disruption of operations.

Another measure taken in response to Hurricane Gustav by LED was establishing a Business Recovery Information Center. Available 24 hours a day, seven days a week, the center provides recovery-related resources for small businesses. Since its implementation, the information center has fielded hundreds of calls regarding business interruption, physical damage and financial assistance.

ECONOMIC IMPACT SIGNIFICANT BUT UNLIKELY TO BE LONG-TERM

Prior to Hurricane Gustav, LED assembled an economic-assessment team to determine the impact of the hurricanes on Louisiana's economy and to provide timely information to secure critical federal recovery resources. The economic-assessment team included LED, Louisiana State University, the University of Louisiana at Lafayette, the Louisiana Recovery Authority and IEM.

While Gustav caused widespread minor and moderate physical damage across a broad swath of Louisiana, Ike had a devastating impact on a handful of parishes in South Louisiana, with little physical damage to the rest of the state. Agriculture was particularly hard hit.

Preliminary estimates suggested that total physical damage from both storms could be as much as \$20 billion (up to \$10 billion in property damage per storm). This figure does not include substantial temporary economic activity losses (including up to \$5 billion from Hurricane Gustav alone) or economic impacts related to assets in the Gulf of Mexico.

LOUISIANA'S ECONOMIC ENGINE KEEPS MOVING

There is no denying that the state suffered severe economic damage at the hands of Mother Nature. Many business owners saw a drop in revenue and lost employees, and some have not fully recovered. Despite these setbacks, Louisiana's economy demonstrated remarkable resiliency and the ability to recover.

Advance preparation, coordinated assistance and a well-managed response continue to help Louisiana businesses recover from hurricanes Gustav and Ike. Louisiana, its citizens and its businesses clearly have proven they were well prepared for these back-to-back hurricanes, and they stand ready to respond to future storms with a similar level of preparation and responsiveness. **EQ**

Louisiana, its citizens and its businesses clearly have proven they were well prepared for these back-to-back hurricanes.

EQ&A

Jim Clinton

As the new chief executive officer of the Cenla Advantage Partnership (CAP), Jim brings more than 30 years of economic development and public policy experience to the table, as well as unbridled passion for the potential of Central Louisiana.

[Q] What are your top priorities in your new role?

[A] The CAP Board is committed to building a first-class workforce in Central Louisiana. They want me to help create habits and structures that will facilitate collaboration among the entities and individuals involved in economic development in the region. The board also wants the partnership to help streamline access to economic development resources for those interested in moving a business here, or starting or growing a business here.

[Q] What do you think are the biggest opportunities for Central Louisiana?

[A] Central Louisiana has an opportunity to redefine itself. There are a lot of great assets here – a wonderful airport and airpark, a strategic location on I-49 and the Red River, and a hardworking population. In the past few years, a number of individuals and citizens' groups have begun serious efforts to improve the quality of life here. We must decide now who and what we really want to be, and make the investments, decisions and commitments that will propel us forward. That future may be a linear extension of our existing manufacturing base, it might be a quantum leap into a position of leadership in biofuels, it might be something that's not even on our radar screen right now. It will likely be some combination of these opportunities.

[Q] What are the most important things Central Louisiana can do to position itself for growth?

[A] To grow more, we need to know more. We must commit to building a culture of knowledge in Central Louisiana. We should do a better job of creating new knowledge, accumulating and sharing existing knowledge and applying knowledge. Learning should be a way of life, a culturally ingrained habit. If we can drive up the levels of educational achievement, we will be truly prepared to take advantage of our outstanding infrastructure and our natural resources.

[Q] What are the most important things our state can do to position itself to grow?

[A] Over the course of the last 40 years, Louisiana has made sporadic commitments to what is now called the "Knowledge Economy." We have never previously sustained those commitments at scale over the course of time from administration to administration.

I think there is a growing consensus – one that must extend into every community and every neighborhood in the state – to build a better Louisiana. A couple of decades ago we seemed to retreat from the idea of Louisiana as a creative enterprise, but now we seem to embrace creative possibilities for our state. Whether it is electronic games, moviemaking, music production or some other creative endeavor, we seem to now understand that these things are all part of the knowledge economy.

Do we want to recruit and expand our traditional industrial base? Of course. Is that enough? Of course not. The commitments that are being made towards a creative, knowledge-driven economy are the ones that can make all the difference in the world.

[Q] Is there anything else you would like to share with the economic development and business leaders of Louisiana?

[A] Louisiana has been the target of natural disasters, economic upheavals and political tumult. Somehow we have survived all of that. I hope and believe that someday we will be able to look back and see that this is when it all changed. This is when we turned the corner. This is when a new Louisiana began to emerge. This is when Louisiana began to mature into a national and global leader ... with Central Louisiana leading the way, of course.



Baton Rouge

becomes regional hub for

COCA-COLA®

Today, competition for new business investment between states can be intense. Therefore, states are constantly developing competitive incentive packages, such as infrastructure improvements, to recruit, retain or expand business.

In May of 2008, the Baton Rouge Coca-Cola Bottling Company chose to expand its Capital Region facility using LED's Economic Development Award Program (EDAP). "We looked at other sites, but Baton Rouge was the most appealing because of our history in this area and the economic partnership that we have with the city and state," said Baton Rouge Coca-Cola Bottling President Darian Chustz.

EDAP provides assistance for publicly owned infrastructure to assist industrial or business development projects that promote economic development and that require state

assistance. This project will fund two additional water wells and make critical site improvements.

Expressing his commitment to make the state more attractive for investors, Gov. Bobby Jindal noted that Coca-Cola's investment illustrates how Louisiana "is competing to be the number-one place for businesses to grow and succeed."

This partnership between Baton Rouge, the state and Coca-Cola was best summed up by Baton Rouge Mayor-President Melvin L. "Kip" Holden when he said "We're not just working together as a team, we're on a winning streak."

Once complete, the Baton Rouge facility will serve as a regional production and distribution hub for the Coca-Cola system. The expansions will create additional lines producing Coke, Diet Coke, Sprite, Dasani Water, POWERade and Vitamin Water. **EQ**

Louisiana Incentive Snapshot

Economic Incentives for Businesses of All Sizes

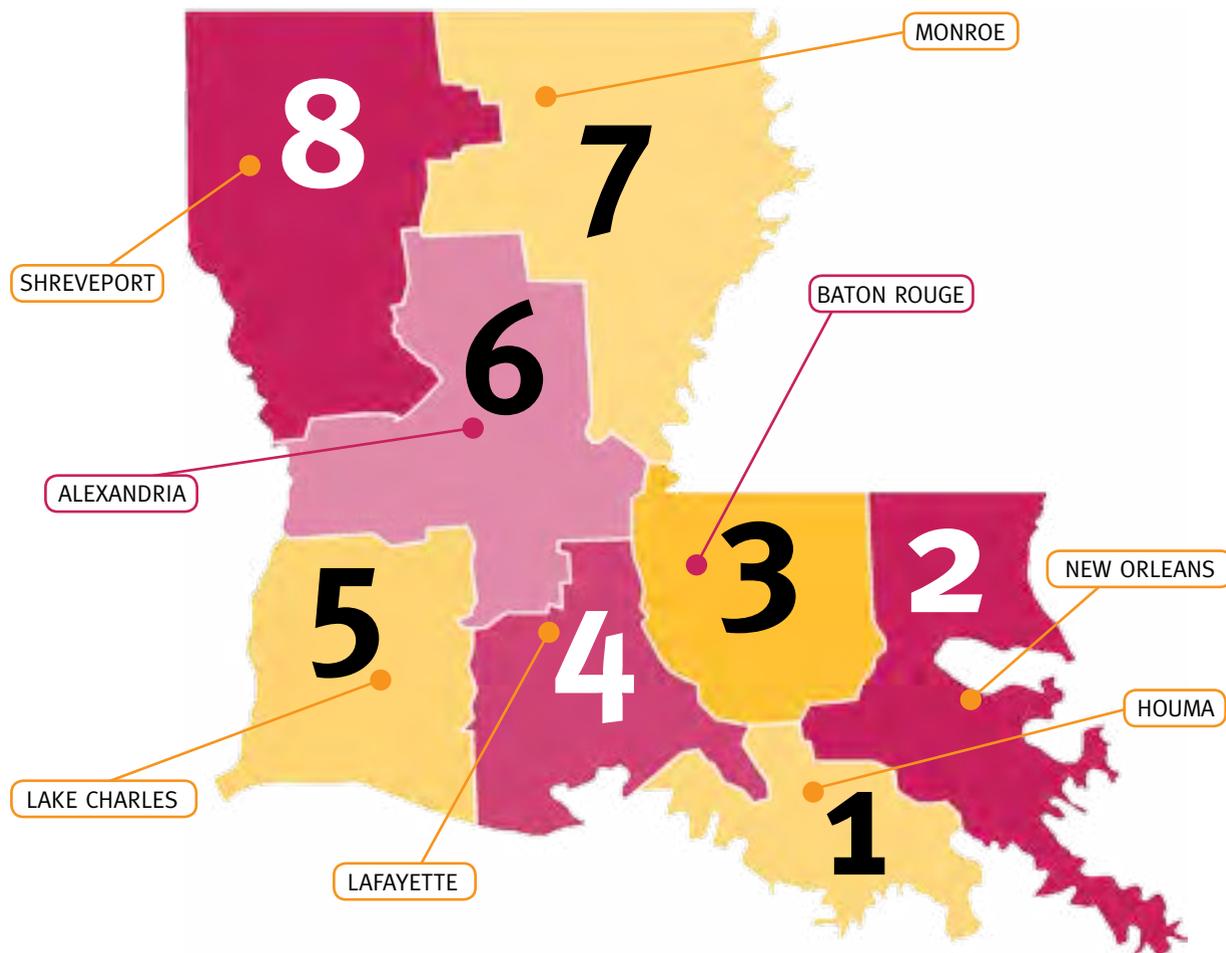
Program Name	Benefit	Eligibility (not comprehensive)
Enterprise Zone	Tax credit program: provides \$2,500 credit per new job, and rebates 4% sales/use tax on materials, machinery or equipment	<ul style="list-style-type: none"> • Must increase employment by 10% within the first 12 months • Or add at least five new jobs in the first two years
Quality Jobs	Cash rebate: provides 5% or 6% rebate of annual gross payroll for new direct jobs for up to 10 years	<ul style="list-style-type: none"> • Must fall within one of the state's six target industries: Biotechnology and Biomedical; Micromanufacturing; Software, Internet and Telecommunications; Environmental Technology; Food Technology or Advance Materials • Or have total annual out-of-state sales of at least 50%
Restoration Tax Abatement	Property tax abatement: provides five-year abatement for the rehabilitation of an existing structure	<ul style="list-style-type: none"> • Must be located in a qualifying district and approved by local governing authority • Taxes based on assessed valuation of property prior to beginning of improvements
Industrial Tax Exemption	Property tax abatement: provides abatement for materials used in new manufacturing, for up to 10 years	<ul style="list-style-type: none"> • Applies only to capital investments by Louisiana manufacturers
Research & Development Tax Credit	Tax credit program: provides credit for up to 8% of the state's apportioned share of increased R&D expenses or 25% of its apportioned share of federal research	<ul style="list-style-type: none"> • Must encourage efforts to conduct research and development activities in Louisiana • Must have received SBIR/STTR or claimed credit under 26 USCA section 41
Sound Recording Tax Credit	Tax credit program: provides credit for up to 25% of production or infrastructure development	<ul style="list-style-type: none"> • Must spend at least \$15,000 in Louisiana
Digital Media Tax Credit	Tax credit program: provides credit for up to 20% of qualified production expenditures	<ul style="list-style-type: none"> • Must be a digital interactive production in Louisiana
Motion Picture Industry Development Tax Credit	Tax credit program: provides credit for up to 25% of motion picture production with a potential bonus credit of up to 10% on local labor and up to 40% for infrastructure development	<ul style="list-style-type: none"> • Must spend at least \$300,000 on motion picture production in Louisiana
Workforce Development and Training Program	Workforce development: provides pre-employment and on-the-job training	<ul style="list-style-type: none"> • Must be new Louisiana company or existing company operating three years or less
Economic Development Award Program	Loan/grant program: provides funding for publicly owned infrastructure for industrial or business development projects	<ul style="list-style-type: none"> • Must be a public or quasi-public state entity requesting a minimum of \$25,000 • Must create or retain at least 10 permanent jobs in Louisiana
Technology Commercialization Credit and Jobs Program	Tax credit program: provides credit for companies that invest in commercialization of Louisiana technology and create new jobs	<ul style="list-style-type: none"> • Technology created by or commercialized at a Louisiana business

Special Incentives for Small Businesses

Program Name	Benefit	Eligibility (not comprehensive)
Small Business Loan Program	Loan guarantee program: provides up to 75% guarantee and state participations up to 40% for banks that facilitate capital accessibility	<ul style="list-style-type: none"> • Must be a Louisiana small business (as defined by SBA) • Must have a business plan and a bank willing to fund the loan
Micro Loan Program	Loan guarantee program: provides up to 80% guarantee and state participations up to 50% for banks that fund loans from \$5,000 to \$50,000	<ul style="list-style-type: none"> • Must be a Louisiana small business (as defined by SBA)
Contract Loan Program	Loan guarantee program: provides participations with banks that fund government contract loans from \$5,000 to \$1 million for terms of one year or less	<ul style="list-style-type: none"> • Must be a Louisiana small business (as defined by SBA) • Must have a business plan and a bank willing to fund the loan
Bonding Assistance Program	Bonding assistance: provides up to 25% guarantee for companies bidding on private or public jobs	<ul style="list-style-type: none"> • Must be certified in Small and Emerging Business Development Program (SEBD) • Must complete Louisiana Contractors Accreditation Institute or have LED waiver
Angel Investor Tax Credit	Tax credit program: provides credit up to 50% for individual investors when they invest in certain early stages of wealth-creating businesses	<ul style="list-style-type: none"> • Must have principal business operations in Louisiana • Must have Louisiana tax identification number
Mentor-Protégé Tax Credit	Tax credit program: provides up to \$50,000 per year for participating firms that provide technical assistance to protégé firm	<ul style="list-style-type: none"> • Must be certified active in SEBD program or registered in the state's Hudson Initiative Program (protégé firm)

For more information on Louisiana's incentives, call 225.342.5675.

Louisiana's Economic Development REGIONS & PARTNERS



Louisiana has an extensive network of economic development organizations and allies dedicated to helping communities retain, grow and attract business.

1. Bayou Region

- Assumption Chamber of Commerce
- Chamber of Lafourche and the Bayou Region
- Houma-Terrebonne Chamber of Commerce
- Lafourche Parish Economic Development
- South Central Industrial Association
- St. Mary Chamber of Commerce
- St. Mary Economic Development
- St. Mary Industrial Group
- Terrebonne Economic Development Authority
- Thibodaux Chamber of Commerce

2. Southeast Region

- Jefferson Parish Economic Development Commission (JEDCO)
- Plaquemines Association of Business & Industry
- St. Bernard Parish Economic Development Foundation
- St. Charles Parish Department of Economic Development & Tourism
- St. James Parish Department of Economic Development
- St. John the Baptist Parish Department of Economic Development
- St. Tammany Economic Development Foundation
- Tangipahoa Economic Development Foundation
- Washington Economic Development Foundation

3. Capital Region

- Ascension Economic Development Corporation
- City of Baton Rouge/East Baton Rouge Parish
- East Feliciana Parish Economic Development
- Greater Pointe Coupee Chamber of Commerce
- Iberville Chamber of Commerce
- Livingston Economic Development Council
- St. Helena Parish Economic Development Committee
- West Baton Rouge Chamber of Commerce
- West Feliciana Parish Community Development Foundation

4. Acadiana

- Crowley Chamber of Commerce
- Greater Abbeville-Vermilion Chamber of Commerce
- Iberia Industrial Development Foundation
- Lafayette Economic Development Authority
- St. Landry Parish Economic Industrial Development District
- St. Martin Economic Development Authority

5. Southwest Region

- Chennault International Airport Authority
- City of Lake Charles Planning and Economic Development Department
- DeQuincy Chamber of Commerce
- DeQuincy Economic Commission
- Greater Beauregard Chamber of Commerce
- Greater DeRidder Area Chamber of Commerce
- Greater Jennings Chamber of Commerce
- Jeff Davis Parish Office of Economic Development
- Jennings Main Street
- Kinder Louisiana Chamber of Commerce
- Lake Charles Downtown Development Authority
- Lake Charles Regional Airport
- Oakdale Area Chamber of Commerce
- Sulphur Industrial Development Board
- The Chamber/SWLA
- The Port of Lake Charles
- West Calcasieu Port, Harbor and Terminal District

6. Central Region

- Alexandria Central Economic District
- Alexandria/Pineville Convention and Visitors Bureau
- Alexandria Regional Port Authority
- Avoyelles Parish Port Commission
- Cenla Advantage Partnership (CAP)
- Central Louisiana Business Incubator
- Central Louisiana Chamber of Commerce
- Concordia Economic & Industrial Development Board
- Greater Alexandria Economic Development Authority
- Greater Vernon Chamber of Commerce
- Kisatchie Delta Regional Planning & Development District Inc.
- North Rapides Business and Industry Alliance
- O.U.T.S.: Olla, Urania, Tullos, Standard Economic Development Board
- Pineville Downtown Development District
- The Rapides Foundation

7. Northeast Region

- Bernice Industrial Development Corporation
- Caldwell Parish Industrial Development Board
- Concordia Parish Chamber of Commerce
- Franklin Economic Development Foundation
- LA Delta 65 Inc.
- Lake Providence Port Commission
- Monroe Chamber of Commerce

- Morehouse Economic Development Commission
- Rayville Economic Development
- Tensas Revitalization Alliance
- Union Parish Chamber of Commerce
- West Carroll Parish Chamber of Commerce
- West Monroe-West Ouachita Chamber of Commerce

8. Northwest Region

- Arcadia/Bienville Parish Chamber of Commerce
- Bossier Chamber of Commerce
- Caddo-Bossier Port Commission
- City of Natchitoches Economic Development Commission
- Claiborne Chamber of Commerce
- DeSoto Parish Chamber of Commerce
- Greater Bossier Economic Development Foundation
- Greater Shreveport Chamber of Commerce
- Minden-South Webster Chamber of Commerce
- Natchitoches Area Chamber of Commerce
- North Webster Chamber of Commerce
- Northwest Louisiana Economic Development Foundation
- Red River Parish Chamber of Commerce
- Ruston-Lincoln Chamber of Commerce
- Sabine Parish Chamber of Commerce

In addition to working with these organizations, LED regularly works with municipalities, parishes, police juries and utilities on economic development initiatives.

- Statewide partners include:
- American Electric Power/Southwestern Electric Power Company (AEP/SWEPCO)
 - Association of Louisiana Electric Cooperatives (ALEC)
 - Cleco Corp.
 - Entergy Louisiana Economic Development Group
 - Louisiana Industrial Development Executives Association (LIDEA)
 - Louisiana Municipal Association (LMA)
 - Louisiana Small Business Development Centers (LSBDCs)
 - Police Jury Association of Louisiana
 - Ports Association of Louisiana (PAL)

REGION	ECONOMIC DEVELOPMENT ORGANIZATION	REGIONAL HUB
1. BAYOU	South Louisiana Economic Council	Houma
2. SOUTHEAST	Greater New Orleans Inc. (GNO Inc.)	New Orleans
3. CAPITAL	Baton Rouge Area Chamber	Baton Rouge
4. ACADIANA	Acadiana Economic Development Council	Lafayette
5. SOUTHWEST	Southwest Louisiana Economic Development Partnership	Lake Charles
6. CENTRAL	Central Louisiana Economic Partnership	Alexandria
7. NORTHEAST	Northeast Louisiana Economic Alliance	Monroe
8. NORTHWEST	Northwest Louisiana Economic Development Foundation	Shreveport



LOUISIANA WELCOMES A REAL PLAYER.

Now that EA SPORTS has chosen LSU for its first North American testing facility, joining other play makers in the state, it's game on in Louisiana. It's a win-win all around.